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TAGS: [PREL](#) [PGOV](#) [APEC](#) [CH](#) [TW](#)
SUBJECT: PRC TAIWAN WATCHERS PRAISE ARATS-SEF MEETINGS,
COMMENT ON INTERNATIONAL SPACE, APEC

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[1](#)B. BEIJING 4153
[1](#)C. BEIJING 4085
[1](#)D. TAIPEI 1610
[1](#)E. SHANGHAI 503

Classified By: Acting DCM Aubrey Carlson. Reasons 1.4 (b) and (d).

SUMMARY

[1](#)1. (C) Beijing's Taiwan watchers called Association for Relations Across the Taiwan Strait (ARATS) Chairman Chen Yunlin's November 3-7 meetings in Taipei "historic," and not just for superficial reasons. They highlighted Beijing's significant steps, including implementing economic measures advantageous to Taiwan (the three links) while deferring political issues important to Beijing; not denying mutual non-denial; accepting a high-profile political figure like honorary KMT Chairman Lien Chan as Taiwan's APEC delegation head; and overlooking the rough treatment Chen and his deputy received from rowdy DPP crowds. Scholars said Beijing is going to have to go slow on the international space question (beyond Lien Chan's role at APEC) until there can be "more consultation" between ARATS and Taiwan's Straits Exchange Foundation (SEF). They said that Beijing is still worried about making concessions that could be exploited by a DPP administration were Ma to be upset in 2012. End Summary.

CHEN YUNLIN'S VISIT "A SUCCESS"

[1](#)2. (C) Beijing's Taiwan experts continue to praise the "success" of the visit by Association for Relations Across the Taiwan Strait (ARATS) President Chen Yunlin to Taipei November 3-7, despite the protests he encountered. They praised the visit's focus on concrete achievements with direct benefits for the people of Taiwan. On November 12, Zhu Lei (protect), a researcher at the Chinese Academy of Social Sciences (CASS) Institute of Taiwan Studies (ITS), told PolOff the visit was a "major breakthrough" akin to the first cross-strait charter flights in 2003 and the 2005 visits to the Mainland by then-KMT Chairman Lien Chan and People First Party Chairman James Soong. Zhu noted that the agreements signed during Chen Yunlin's visit focus on issues that are "important to the Taiwan people," with polls showing 80 percent of Taiwan residents support direct flights and 60 percent support Mainland tourism. Jia Qingguo (protect), a Peking University professor and member of the Chinese People's Political Consultative Conference (CPPCC), echoed this sentiment, stating to PolOff on November 12 that the "main purpose" of Chen Yunlin's trip was to "be nice" to the Taiwan people and "do things in their interest." Despite the demonstrations, polls show that the Taiwan people support the agreements signed, Jia argued.

THREE LINKS: STILL ROOM TO GROW

13. (C) In comments carried in the official Chinese media, Taiwan Affairs Office (TAO) Director Wang Yi stated on November 16 that the long-sought "three links" between the Mainland and Taiwan have been "basically realized." Zhou Zhihuai (protect), Secretary General of the National Society for Taiwan Studies, emphasized to PolOff November 17 that Wang Yi chose his words carefully, stating that the links have only "basically" been achieved, given that interaction between the two sides is not yet "completely normal." For example, the cross-Straits flights are still charters rather than regularly scheduled direct flights, and investment is still in only one direction: from Taiwan to the Mainland. Sun Shengliang (protect), Director of the Economic Department at CASS ITS, told PolOff November 12 that the Mainland is looking for "full normalization" of cross-Straits exchanges that will be "deep and lasting." Sun noted that the next round of ARATS-SEF talks in early 2009 will focus on issues such as capital markets, financial services, a free trade arrangement and investment guarantees to help remedy the investment imbalance.

AGREEMENTS FACILITATE "PEACEFUL DEVELOPMENT FRAMEWORK"

14. (C) The ARATS-SEF agreements will promote economic integration between the two sides, furthering President Hu Jintao's goal of establishing a "peaceful development

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framework" across the Taiwan Strait while deferring sensitive political issues, contacts say. CASS's Sun predicted that over the next two to three years these most recent agreements will prove "very beneficial" for Taiwan. Taiwan has mostly used the Mainland as a manufacturing platform for exports, but the ease and efficiency of transportation and shipping resulting from the new agreements will increase Taiwan's reliance on the China market as an end destination for Taiwan products, which will make Taiwan businesses more competitive with South Korean firms in the IT sector, Sun asserted. NSTS's Zhou Zhihuai predicted that within five years, the political sensitivity of cross-Straits exchanges will have "dissipated." The "normalcy" of this interaction will increase mutual trust and "inevitably" result in Taiwan "feeling" more like a part of China. Peking University's Jia Qingguo described Hu Jintao's peaceful development framework as an effort to "increase economic integration while kicking political issues down the road."

"UNEXPECTED" LEVEL OF CHAOS

15. (C) The security challenges Chen faced during his visit may dampen future cross-Straits exchanges held in Taiwan. Professor Jia Qingguo said the "degree of chaos" during Chen Yunlin's trip was "unexpected," as was the preceding October 21 "attack" on ARATS Deputy Zhang Mingqing. Jia said the Mainland probably should not have been surprised because of the "rough-and-tumble nature" of Taiwan politics as well as the fact that Taiwan politicians often use such incidents to generate publicity for themselves. In one respect, the assault on Zhang Mingqing was "good" because it resulted in increased security for Chen Yunlin during his subsequent trip, Jia concluded. Even though the TAO spokesperson on November 12 claimed that the protests will not affect future cross-Straits exchanges, Jia predicted that they will likely have a "deterrent effect," especially on high-level Mainland travelers to Taiwan. Jia expressed concern that his own plans to attend a conference in Taiwan, his first visit in nearly 10 years, may be put on hold by "TAO bureaucrats" who could be blamed for approving the trip if anything untoward should happen to Jia as a CPPCC member. CASS's Sun Shengliang separately said the pan-Green demonstrations could

have a "psychological" effect on future cross-Strait exchanges in Taiwan and may even affect Mainland tourism to the island.

PROTESTS REINFORCE NEGATIVE VIEWS OF TAIWAN

16. (C) The protests against Chen Yunlin have also resulted in "mixed" views on the Mainland of Taiwan's political system. Ma Ying-jeou's March election and the peaceful transfer of power in May swung Mainland public opinion in a "very positive direction," but the Zhang Mingqing incident and the protests against Chen have "made Taiwan look bad," Jia said. Chen Shui-bian's detention, however, has grabbed the Mainland's attention and begun to increase more "positive" views of Taiwan. Senior Chinese leaders have been brought down on corruption charges before, but never the "top leader," Jia explained. Jia opined that Chen's detention was "long overdue," but he praised Ma Ying-jeou's handling of the case by allowing the judiciary to act independently.

EFFECT ON MAINLAND'S CROSS-STRAIT POLICY?

17. (C) Asked whether Taiwan's internal security situation would affect Mainland debate on China's broader Taiwan policy, Sun said the "mainstream view" is that China must do something to "help Ma against the DPP." Some in China hold the view that the DPP is still strong and could take power again, so the Mainland should not make any concessions related to sovereignty that could be later used by the DPP to assert Taiwan's independence, but, Sun asserted, this is the "minority view." He assessed that the DPP will be "even more marginalized" by its actions before and during Chen Yunlin's visit. The DPP does not have a coherent cross-Strait policy but simply "opposes everything the KMT does," Sun concluded. Jia Qingguo worried that if Ma Ying-jeou loses the next election, any concessions the Mainland makes now will be used against it in the future. Jia admitted that the PRC is "likely to be more liberal" if it looks like Ma is strong and will be re-elected.

THE MA-CHEN MEETING AND "MUTUAL NON-DENIAL"

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18. (C) Asked about the proposal made in the Hong Kong media by Peking University Professor Peng Zhenhuai (ref B) for Chen Yunlin to address Ma Ying-jeou as "President" during their meeting, Jia Qingguo said the idea had "no following" among Mainland policymakers. Saying he personally does not know Peng, Jia insisted that the idea was the professor's own and not a "trial balloon" that reflected leadership thinking. Chinese professors increasingly have more freedom to publish "unorthodox views," even though doing so is "still risky." If Peng's views garner too much publicity or result in pressure on the Chinese Government, Peng could lose his job, Jia commented. CASS's Sun was aware of Peng's article, but he dismissed it as demonstrating a "lack of understanding" about PRC Taiwan policy.

19. (C) Asked about Taiwan assertions (ref D) that Chen Yunlin's meeting with Ma Ying-jeou demonstrated China's tacit acceptance of Ma's "mutual non-denial" proposal, Mainland contacts insisted that there has been no "formal" acceptance of the concept. Peng Weixue (protect), Chief Editor of CASS-ITS's Taiwan Weekly magazine, nevertheless conceded to PolOff November 18 that the Ma-Chen meeting does in some sense demonstrate Beijing's "tacit acceptance" of the "mutual non-denial" concept. But the issue still remains a "sensitive political topic" in China that is best dealt with "later." Therefore, for now, China is simply "not denying mutual non-denial," Peng asserted. NSTS's Zhou Zhihuai also declined to deny mutual-denial. He noted that even a "relatively simple" issue such as the three links took 30

years to complete, so it follows that "difficult political issues," such as sovereignty, international space and security issues, as well as "mutual non-denial," will take a "long time" to resolve.

OVERLOOKING "SLIGHTS"

¶10. (C) Despite the security problems, Beijing is focusing on the "big picture" and the long-term positive outcomes of Chen's visit, contacts emphasized. CASS's Sun Shengliang commented that even though Chen Yunlin may have been "personally offended" by being trapped in the Formosa Regent Hotel and not being able to make a statement during his meeting with Ma Ying-jeou, Chen would not put his personal concerns ahead of the larger mission to improve cross-Straits relations. If Chen were to complain or take offense over any "slights" suffered during the trip, Sun asserted, that would only help "DPP efforts to harm cross-Straits relations." Even ARATS Deputy Zhang Mingqing expressed hope that the violence he encountered personally in Taiwan will not affect broader cross-Straits relations, Sun pointed out. Similarly, the TAO spokeswoman's refusal on November 12 to comment on the quality of the security arrangements in Taiwan was designed to avoid playing into DPP hands. If China publicly were to praise the efforts of Taiwan security forces, the DPP could claim the Mainland "colluded" with the KMT to "suppress human rights" in Taiwan. On the other hand, Sun noted, if China were to express displeasure with the security arrangements, it could lead to "strain" in cross-Straits relations and overshadow the many positive accomplishments of Chen's trip.

INTERNATIONAL SPACE REQUIRES FURTHER CONSULTATIONS

¶11. (C) China's approach to Taiwan's participation in the activities of the World Health Assembly/World Health Organization (WHA/WHO) next May remains a hot topic of conversation in Beijing (ref C), with contacts emphasizing that any possible progress on the matter will require further consultation between the two sides. CASS's Sun Shengliang said that even though ARATS-SEF discussions have so far avoided the issue of international space, it has been a topic of conversation in KMT-CCP party-to-party talks as well as in academic exchanges and other "unofficial and non-governmental" channels. Sun expressed hope that a breakthrough will be made by next May, noting that Ma Ying-jeou is pushing for progress on the issue. Sun argued that the United States and Japan should not pressure China on the issue but rather should allow the two sides the space and time to work out a solution on their own. By contrast, NSTS's Zhou Zhihui hoped that Washington could play a "helpful" role in resolving the international space issue, arguing that American involvement would help Beijing and Taipei draw "closer together" on the subject. Zhou

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emphasized, however, that both sides of the Strait should be encouraged to reach a solution on the international space issue, rather than just pushing the Mainland to make a "unilateral concession." CASS-ITS's Peng Weixue told PolOff that any progress on such a "significant issue" as Taiwan's international space would have to be made through the SEF-ARATS channel and could not simply be decided through a "unilateral concession" by Beijing.

LIEN CHAN AT APEC A "BIG DEAL"

¶12. (C) Embassy contacts have argued that China's acquiescence to KMT Honorary Chairman Lien Chan's participation at the APEC Summit in Peru is a "significant concession" on cross-Straits relations, as well as on Taiwan's international space. A visiting U.S. expert told PolOff October 31 that during a meeting his delegation attended earlier that day with TAO Minister Wang Yi, Wang specifically

pointed to the approval of Lien Chan as Taiwan's APEC envoy in response to a charge that the PRC had done nothing on the international space issue. Peking University's Jia Qingguo told PolOff that Lien's participation in APEC is a "big deal." Jia expressed concern that a future DPP administration would demand similar treatment, quipping that the prospect of former Taiwan Vice President Annette Lu attending APEC is "not a pleasant thought." Even if China insisted that Taiwan accept some sort of annual approval of its envoy, Lien's participation still sets a precedent, Jia commented. CASS-ITS's Peng Weixue opined that the approval of Lien Chan was due to the "comfort level" Chinese leaders have with him personally, as well the general improvement in cross-Straits relations. Because of frequent contacts since 2005, Chinese leaders have built up a sufficient level of trust in Lien Chan, making him an acceptable candidate. That may not have been the case had Ma Ying-jeou nominated someone else, Peng said.

RANDT